

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.

Debtors.¹

PROMESA

Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

RESERVATION OF RIGHTS OF EDWARD D. JONES & CO.

Edward D. Jones & Co. ("Edward Jones"), through the undersigned counsel, respectfully submits this reservation of rights with respect to the *Order Pursuant to Bankruptcy Rules 1007(i) and 2004 Authorizing Discovery and Compelling Disclosure of Lists of Security Holders* [Dkt. No. 6384] ("First Order") and the *Further Order Pursuant to Bankruptcy Rules 1007(i) and 2004 Authorizing Discovery and Compelling Disclosure of Lists of Security Holders* [Dkt. No. 6493] ("Confidentiality Order").² In support of this Reservation of Rights, Edward Jones states as follows:

1. Edward Jones is a financial services company that, among other things, maintains accounts through which its customers beneficially hold various types of securities (often in the

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567- LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (Case No. 17 BK 4780- LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Confidentiality Order.

name of Edward Jones rather than the individual customer's name).

2. According to the *Certificate of Service* [Dkt. No. 6465] filed with this Court, the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") caused Edward Jones to be served, via Overnight Mail, with copies of the Urgent Motion and the First Order on April 18, 2019, the same day the First Order was entered. However, Edward Jones actually received these materials on April 23, 2019, one day following the receipt thereof by its agent, CT Corporation. As set forth on the service of process transmittal to which the Urgent Motion, First Order and delivery envelope were appended, a copy of which is attached hereto as Exhibit A, the materials were delivered via Priority Mail and received by CT Corporation on April 22, 2019.

3. Upon receipt of the Urgent Motion and the First Order, Edward Jones – which was not listed in the Urgent Motion – reached out to counsel to the Special Claims Committee for further information. Edward Jones then received a copy of the Informative Motion and the Confidentiality Order from counsel to the Special Claims Committee via email on late Friday afternoon, April 26, 2019 – effectively one business day before the deadline set forth in the First Order.³

4. While the Informative Motion suggests that the First Order and Confidentiality Order are intended to bind Edward Jones and similarly situated parties, Edward Jones had no notice and no opportunity to be heard with respect thereto. *See Informative Motion* at 2 (noting that the First Order approved the list of Participant Holders identified in Appendix 2 thereto “as such

³ On May 2, 2019, the Special Claims Committee filed several complaints, among them a complaint naming numerous financial institutions (including Edward Jones), seeking to avoid and recover payments made in respect of the Challenged Bonds during the four-year period preceding these proceedings. *See Adversary Complaint to Avoid and Recover Fraudulent Transfers and to Disallow Claims Pursuant to 11 U.S.C. §§ 502, 544, 548, and 550 and Puerto Rico Law (17-03283)*.

appendix may be supplemented upon receipt of information' sufficient for the Oversight Board to identify Participant Holders of the Challenged Bonds"). Similarly, Edward Jones had no opportunity to participate in the discussions that resulted in the consensual Confidentiality Order. The timing of service guaranteed that Edward Jones could not feasibly respond by the requested deadline, let alone notify account holders or take other steps that Edward Jones would routinely consider under these circumstances.

5. Notwithstanding the foregoing lack of notice, Edward Jones will work in good faith with the Special Claims Committee to resolve any questions or concerns, and to timely produce, on a rolling basis, the requested materials to the Oversight Board and the Special Claims Committee, consistent with the First Order and the Confidentiality Order.⁴ To the extent the First Order and Confidentiality Order create questions or concerns, or require further clarification, Edward Jones reserves all rights, including to seek further clarification from this Court, with respect thereto.

⁴ Edward Jones has begun conducting diligence consistent with the First Order but has not yet identified beneficial holders of the Challenged Bonds and has not yet determined whether it holds the Challenged Bonds for its own account.

Dated: May 6, 2019

SANCHEZ PIRILLO LLC

/s/ Alicia I. Lavergne Ramírez
Alicia I. Lavergne Ramírez
USDC-DPR 215112

270 Muñoz Rivera Ave.
Suite 1110
San Juan, PR 00918
Telephone: 787-522-6776
Facsimile: 787-522-6777
Email: alavergne@sanpir.com

-and-

MORGAN, LEWIS & BOCKIUS LLP

Rachel J. Mauceri
1701 Market Street
Philadelphia, PA 19103-2921
Telephone: +1.215.963.5000
Facsimile: +1.215.963.5001
Email: rachel.mauceri@morganlewis.com

Attorneys for Edward D. Jones & Co.